

Message Text

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ACTION ARA-10

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SS-15 USIA-06 DHA-02 ORM-02 EB-07 AID-05 SIL-01
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R 021853Z MAY 77
FM AMEMBASSY SANTIAGO
TO SECSTATE WASHDC 4612
INFO AMEMBASSY BRUSSELS

C O N F I D E N T I A L SECTION 1 OF 2 SANTIAGO 3577

E. O. 11652: GDS
TAGS: PINT, CI, SHUM
SUBJECT: GOC EX-PRESIDENT FREI COMMENTS ON SITUATION IN CHILE

1. SUMMARY: ON APRIL 28 I PAID A FAREWELL CALL ON CHILEAN EX-PRESIDENT

AND CHRISTIAN DEMOCRATIC PARTY ELDER STATESMAN EDUARDO FREI, PRIOR TO LATTER'S DEPARTURE TO ATTEND INTERNATIONAL MEETING OF CHRISTAIN DEMOCRATS IN BRUSSELS. IN NINETY-MINUTE DISCUSSION, FREI BITTERLY PREDICTED THAT JUNTA'S ECONOMIC POLICIES WOULD BRING IT DOWN, "WHETHER IN FIVE MONTHS OR IN FIVE YEARS."; DENIED CHRISTIAN DEMOCRATS WOULD EVER ALLY THEMSELVES WITH CHILEAN COMMUNISTS IN QUEST FOR POWER; AND HAD HIGH PRAISE FOR PRESIDENT CARTER'S HUMAN RIGHTS POLICY "WHICH FOR THE FIRST TIME SINCE WORLD WAR II HAS PUT SOVIETS ON THE DEFENSIVE." END SUMMARY.

2. AFTER A BRIEF EXCHANGE OF VIEWS ON THE EUROPEAN POLITICAL SITUATION AND A DISCUSSION OF FREI'S FORTHCOMING BOOK "THE CRISIS OF DEMOCRACY", WE TURNED TO THE SITUATION IN CHILE.

3. FREI AGREED WITH MY DESCRIPTION OF THE HUMAN RIGHTS SITUATION IN CHILE AS MUCH IMPROVED WITH REGARD TO GROSS VIOLATIONS. ARBITRARY DETENTIONS, REPORTS OF TORTURE AND CLAIMS OF
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MYSTERIOUS DISAPPEARANCE HAD VIRTUALLY CEASED SINCE THE BEGINNING OF THE YEAR, HE ADMITTED. HE ASSERTED, HOWEVER, THAT THE GOC WAS NOW OPERATING IN MORE SUBTEL BUT ESSENTIALLY HARSHER WAYS TO STIFLE DISSENT AND ENFORCE MORE FAR-REACHING CONTROL OVER THE SOCIETY IN GENERAL. THERE WERE THREE ASPECTS TO THIS MORE SOPHISTICATED APPROACH: INTIMIDATION AND HARASSMENT OF CHRISTIAN

DEMOCRATS, STRICTER CONTROLS OVER ALL MEANS OF COMMUNICATION, AND ECONOMIC PRESSURE ON THE POPULACE AS A WHOLE IN A DISASTROUS ECONOMIC SITUATION.

A) PRESIDENT FREI ASSERTED THAT THE GOC WAS CONTINUING TO HEM IN THE CHRISTIAN DEMOCRATIC (PDC) RANK AND FILE BY A VARIETY OF EFFECTIVE MEASURES. THE PROCESS OF SQUEEZING PDC MEMBERS OUT OF THE BUREAUCRACY AT ALL LEVELS HAD BEEN INTENSIFIED; THE PARTY FAITHFUL WERE BEING DEPRIVED OF THE BENEFITS OF ALL GOVERNMENT ECONOMIC MEASURES AND PROGRAMS (HERE FREI ALLEGED BLATANT DISCRIMINATION AGAINST CHRISTIAN DEMOCRATS IN THE REDISTRIBUTION OF LAND PREVIOUSLY EXPROPRIATED UNDER LAND REFORM PROGRAMS, AS WELL AS REFUSAL OF WATER RIGHTS TO PDC LANDHOLDERS); AND THE DINA HAD ADOPTED A NEW FORM OF MORE POLITE TERROR. TYPICALLY, SECURITY OFFICIALS NOW CALLED AT HOMES WHEN THE ENTIRE FAMILY WAS GATHERED AND POLITELY BUT POINTEDLY DISCUSSED THE ANTI-GOVERNMENT ACTS IN WHICH THE OFFENDING PARTY HAD BEEN INVOLVED, REMARKING ON THE DANGERS HE WAS BRINGING DOWN ON EVERYONE'S HEAD AND SUGGESTING THAT MORE RESPECT FOR THE GOVERNMENT IN THE FUTURE WOULD BE BEST FOR ALL CONCERNED. FREI SAID THAT PDC LABOR LEADERS WERE PARTICULARLY VULNERABLE TO THIS KIND OF INTIMIDATION.

B) WITH RESPECT TO CONTROL OF COMMUNICATIONS AND CENSORSHIP, FREI PARTICULARLY LAMENTED THE SILENCING OF THE PDC RADIO VOICE, AND THE AUDIENCE ENJOYED BY RADIO MOSCOW'S DAILY PROGRAM "ESCUCHE, CHILE", HE WISHED HE SHOULD HAVE JUST TEN MINUTES A WEEK TO ADDRESS THE NATION. HE THOUGHT THE JUNTA'S CENSORSHIP OF COMMUNICATIONS WAS BECOMING STRICTER. A CURRENT TEST CASE WOULD BE THE GOVERNMENT'S DECISION AS TO WHETHER TO PERMIT PUBLICATION OF THE PROPOSED NEW PRO-PDC WEEKLY HOY (SANTIAGO 2543 AND 2842).

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C) FREI CHARACTERIZED THE ECONOMIC SITUATION IN CHILE AS CATASTROPHIC. HE CITED OVERALL UNEMPLOYMENT OF 20 PERCENT, THE PERSISTENTLY LOW LIVING STANDARD, THE GOVERNMENT'S FAILURE TO STIMULATE DOMESTIC PRODUCTION, AND ITS NEGLECT OF STRUCTURAL REFORM IN INDUSTRY AND AGRICULTURE AS FACTORS WHICH WOULD EVENTUALLY BRING DOWN THE JUNTA.

4. ELABORATING ON THIS THEME, FREI CLAIMED THAT WHETHER IT TOOK FIVE MONTHS OR FIVE YEARS HE WAS CERTAIN THAT THE JUNTA'S ECONOMIC POLICIES WOULD EVENTUALLY LEAD TO TOTAL ECONOMIC FAILURE AND THAT THIS IN TURN WOULD GENERATE RADICAL POLITICAL DEVELOPMENTS. HE DERISIVELY CITED THE ABRUPTNESS WITH WHICH THE GOVERNMENT HAD ADOPTED AND THEN ABANDONED A SERIES OF ECONOMIC MEASURES WITHIN ITS OVERALL FREE MARKET APPROACH -- IN BANKING, SAVINGS AND LOAN POLICY, CURRENCY MANIPULATION, AND AGRICULTURAL POLICY. WHILE THESE TWISTS AND TURNS CONTINUED, CHILE'S INDUSTRIAL PLANT REMAINED UNERCAPITALIZED, ANTIQUATED AND SQUEEZED BY UNDULY LOW

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C O N F I D E N T I A L SECTION 2 OF 2 SANTIAGO 3577

IMPORT TARIFFS. IN A TIME OF HUGE INTERNATIONAL DEBT AND THE
NEED FOR RECOVERY, CHILE, A LESS-DEVELOPED COUNTRY, WAS REVALUTING
ITS CURRENCY AS IF IT WERE GERMANY OR THE NETHERLANDS. AND THE
LAST STRAW WAS THAT THE GOVERNMENT, WITH ITS MASSIVE MILITARY
ESTABLISHMENT, ITS "FOUR EXPENSIVE PRESIDENTS" AND ITS DINA WAS
ABSORBING 40 PERCENT OF THE ANNUAL BUDGET (AS AGAINST 20 PERCENT
IN PREVIOUS ADMINISTRATIONS). SUCH A SITUATION SIMPLY COULD
NOT LAST.

5. WHEN I ASKED WHAT POTENTIAL SOLUTIONS TO THESE POLITICAL
AND ECONOMIC PROBLEMS HE FORESAW, FREI WAS PESSIMISTIC AND
VAGUE. HE SPECULATED THAT CHILE MIGHT FALL INTO A CENTRAL
AMERICAN MODEL, WITH A FEW THOUSAND RICH INDIVIDUALS AT ONE END
OF THE SOCIO-ECONOMIC SPECTRUM SUPPORTED BY A MIDDLE CLASS
COMPOSED LARGELY OF MILITARY AND SECURITY OFFICERS PAID TO KEEP
ORDER, ALL THIS SUPERIMPOSED ON A LARGE AND MISERABLE "PUEBLO".
IN CUSTOMARY PDC FASHION, HE WAS INCLINED TOWARD GREATER STATE
INTERVENTION TO STIMULATE THE ECONOMY AND MODERATE SOCIAL AND
ECONOMIC INEQUITIES. BUT HE WAS UNCLEAR ON HOW SUCH POLICIES
COULD BE IMPLEMENTED AND FINANCED.

6. I QUIZZED FREI ON WHAT FUTURE HE FORESAW FOR THE PDC NOT THAT
THE PARTY HAD BEEN DISSOLVED. HE SAID ITS MEMBERS WOULD NOW
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CONCENTRATE THEIR EFFORTS ON SOCIAL AND YOUTH WORK, IN THE LOCAL

AND BROADER INSTITUTIONS WHICH EXIST IN THESE FIELDS. THE PARTY WOULD CONTINUE TO AVOID AN ALLIANCE WITH THE COMMUNISTS, HE MAINTAINED (THOUGH HE DID NOT SPECIFICALLY ESCHEW ALL FORMS OF "CONVERGENCE"). HE LAMENTED WHAT HE TERMED THE PUSILLANIMITY OF THE SUPREME COURT, WHICH HE SAID COULD HAVE BEEN A GENUINE INSTITUTIONAL FORCE RESTRAINING THE GOVERNMENT. THE CHURCH, HE AGREED, WAS SUCH A FORCE; THE BISHOPS' RECENT LETTER PROTESTING THE DISSOLUTION OF THE POLITICAL PARTIES AND OTHER UNDEMOCRATIC PRACTICES (SANTIAGO 2555) HAD BEEN THE MOST EFFECTIVE CHURCH PRONOUNCEMENT ON POLITICAL MATTERS ISSUED SINCE THE JUNTA CAME TO POWER. BUT THE CHURCH COULD NOT ENGAGE IN DIRECT POLITICAL ACTIVITY.

7. TO CLOSE THE CONVERSATION I ASKED FREI WHAT HE THOUGHT OF PRESIDENT CARTER'S HUMAN RIGHTS POLICY. FREI WAS UNRESERVED IN HIS PRAISES. AS HE SEES IT, AND WHATEVER VIEW ONE TOOK OF PROCEDURAL DETAILS, PRESIDENT CARTER HAS REASSERTED THE U.S. CLAIM TO MORAL LEADERSHIP IN THE WORLD "BY RAISING THE BANNER OF HUMAN RIGHTS". THE U.S., THE WORLD'S ONLY TRUE PEOPLE'S DEMOCRACY, HAD ALWAYS BEEN SUPERIOR TO THE MARXIST CAMP IN ARMAMENTS AND IN ITS ECONOMIC BASE, UNFORTUNATELY, WITH THEIR IDIOLOGY THE COMMUNISTS HAD GENERALLY BEEN AHEAD IN THE THIRD AND MOST IMPORTANT SPHERE, THE MORAL PLANE. BY RAISING THE NEW BANNER, PRESIDENT CARTER HAD PRE-EMPTED THIS GROUND AND -- FOR THE FIRST TIME SINCE WORLD WAR II -- HAD PUT THE SOVIETS ON THE DEFENSIVE. MOREOVER, IN THE PRESENTATION OF HIS NEW ENERGY POLICY, HE HAD SOUNDED A CALL FOR UNITED NATIONAL ACTION TO MEET A SERIOUS CRISIS, IN A WAY WORTHY OF THE HIGHEST ADMIRATION.

8. COMMENT: ELOQUENT AS ALWAYS, FREI SEEMS A SADDER MAN THAN HE WAS WHEN I LAST SAW HIM. HIS REMARKS WERE TINGED WITH MORE BITTERNESS AND EVEN HOPELESSNESS THAN PREVIOUSLY; CERTAINLY THEY WERE MORE EMPHATICALLY PARTISAN. THE CHRISTIAN DEMOCRATS HAVE AS YET FOUND NO WAY TO MOBILIZE THE BROAD SYMPATHY THEY ENJOY AMONG THE POPULATION SO AS TO RESTRAIN THE GOVERNMENT OR TO MAKE

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THEIR TRUE WEIGHT FELT. IMPLICIT IN FREI'S OUTLOOK IS THE THESIS THAT THE JUNTA WILL EVENTUALLY FALL, WHETHER IN FIVE MONTHS OR FIVE YEARS, NOT BECAUSE OF ACTION BY ITS OPPONENTS BUT BECAUSE OF ITS OWN INCAPACITY TO MEET THE NEEDS OF THE COUNTRY. BUT WHEN THAT MOMENT ARRIVES, IT WOULD BE WELL TO REMEMBER THAT THE PDC HAS BEEN THE ONLY SUBSTANTIAL MODERATE POLITICAL VOICE TO HAVE BEEN RAISED, WITHIN CHILE, AGAINST THE JUNTA. HOWEVER, IMPERFECTLY, IT HAS MAINTAINED THE CAUSE OF HUMAN RIGHTS, AT A TIME WHEN IT WAS DIFFICULT AND DANGEROUS TO DO SO.
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